Course Title: HCMG 890: China’s Healthcare System and Reform

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Location: Guanghua Buuilding No. 1 (Old Guanghua Bldg)

Time: March 04 – March 07, 2013 – Peking University

Credit: 0.5 Units - - pass/fail option (Wharton credit system)

Course Overview
This course will provide an overview of the structure and functioning of China’s healthcare industry, and the issues facing payers, providers, and producers. The class will also analyze the major transitions currently underway that are transforming the industry and the role of the 2009 Chinese healthcare reforms in shaping the various sectors of the industry. The course will also describe the demographic trends and governmental initiatives that serve as the context for these developments.

The class will be composed of faculty and students from Peking University’s Guanghua School of Management and the University of Pennsylvania’s Wharton School. To facilitate dialogue and joint
learning between the two schools, the course will endeavor to draw comparisons between the Chinese and US healthcare systems and reforms. This discussion will highlight convergences and divergences in the two systems, and some of the common issues they both face.

Specific topics to be covered in the course include demographic trends and changes in the Chinese patient, the expansion of government health insurance schemes and the slow development of voluntary insurance, an overview of the Chinese hospital market and the financial and managerial issues it faces, the practice of medicine and supply of physicians, the rapid growth of China’s pharmaceutical sector, and China’s burgeoning biotechnology and medical equipment sectors. Contextual issues to be considered include governmental healthcare reforms, public health, and logistical issues of serving patients and providers outside of China’s major cities.

The course will include a combination of lectures, presentations by executives and industry experts, and field trips to local healthcare firms and/or government agencies. Analytic frameworks of healthcare system development and new product innovation will be used to analyze the prospects for success of emerging firms in China. The course will also contrast the healthcare system structure and reforms taking place in China with those in the US.

The course will meet over a period of four days at the Guanghua School of Management (PKU) in Beijing. Students will come from both Wharton and PKU. The course will provide an opportunity for team-based projects for students across the two schools.

The course is divided into 6 sections, most of them dealing with specific sectors in China’s healthcare system. The logic of the course is to present an overview of each sector from economics and management faculty, identify the trends and issues facing managers and providers in that sector, and apply this learning through specific case presentations by executives from representative firms in that sector. This format is designed to provide a quick immersion to each sector through a multidisciplinary approach.

Students will write one paper after the course’s completion to receive credit. Students may follow either of the following options in writing their paper:

- Write a paper on some firm or sector of China’s healthcare industry, focusing on key environmental and competitive challenges faced by that sector, and the strategies pursued to deal with them. This can be done either individually or as a team.

- Write a case on a firm covered in the course, using recent industry data, executive interviews, etc. The case should identify some strategic issue faced by that firm, what strategies have been pursued to deal with it, what success has been achieved to date, and what new directions might be undertaken. This can be done either individually or as a team. Our goal is to have student papers and projects contribute to teaching materials and cases for future course offerings.

Teams should be anywhere from 3-5 students. Papers should be roughly 15-20 pages in length, double-spaced. Papers are due by June 25, 2012.

Course grades will be based on the papers and class participation/attendance.
Course Sessions and Schedule

Sunday March 03 (6:30 pm)
Welcome Reception for Wharton and Beijing students (hosted by PKU)
Location: PKU Guanghua School of Management Hotel Restaurant

Monday March 04

8:30 am - 10:30 am
Frameworks for Analyzing Health Care Systems &
Introduction to China's Health Care System
Prof. Burns (Wharton)
Readings:

10:45 am - 12:00 pm
Overview of China's Med-Tech and Life Sciences Sector
James Deng (VP, GM Greater China, Becton Dickenson)
Readings:
• Jeffrey Immelt et al. “How GER is Disrupting Itself.” Harvard Business Review (October 2009)
• Biopharma R&D in China. BCG Report (2011)

2:00 pm - 4:00 pm
China's National Healthcare Bureaucracy
Prof. Liu (PKU)
Readings:
Tuesday March 05

9:00 am - 12:00 pm
Reforms in Healthcare Financing & Insurance
Prof. Liu (PKU)

Readings:

1:30 am - 4 pm
China’s Hospital Sector
Roberta Lipson (CEO and President, Chindex International)
&
The Medical Profession & Policy Changes for Workforce Development
Prof. Burns (Wharton)

Readings:
- Dong Xu et al. “Reform of Medical Education in China.” *The Lancet* (March 26, 2010).

Site Visit (PKU Third Hospital, bus waiting at 4:10pm in front of the classroom building)
Wednesday March 06

8:30 am - 12:00 pm
Overview of China's Pharmaceutical Sector
Rachel Lee, MBA (Boston Consulting Group)
Readings:
- Datamonitor. *Pharmaceuticals in China*. (December 2011)

1:30 pm - 2:45 pm
Pharmaceutical and Medical Device Industries in China and in US
Katherine Lu, Ph.D. (Cowen Group)

3:00 pm – 4:30 pm
Overview of the Medical Device Sector
Chuan Chen (Senior Director, Johnson & Johnson)
Readings:

6:00 pm – 8:00 pm
Banquet (hosted by Wharton)
Location: TBA
Thursday March 07

8:30 – 9:45
Healthcare Venture Capital Investment in China
James Huang (Managing Partner, KPCB China)

  Readings:
  ▪ 2011.05 Morgan Stanley - China Healthcare Valuation Map
  ▪ 2011.07 Morgan Stanley - China Healthcare Overview Revisited

10:00 am - 12:00 pm
China’s Public Health System and Infrastructure
Dr. Xiaofeng Liang (China CDC Deputy Director)

  Readings: